

Dear Agency Telecom Invoice Processing Stakeholders,

Over the last few months the Accenture Team has outlined the Phase 1 transition plan in general terms. We have now finalized the specific activities and dates for moving to the new billing system and formats. The following is an outline of what to expect from now through June when the new billing system will be operational with the new AZNET pricing utilizing seat charges and pass through Carrier billing.

1. **April Invoice** - On or before April 23<sup>rd</sup> your April Invoice packet will be produced. It will consist of an ATS Invoice and a separate AZNET Invoice.
  - a. **ATS April Invoice** - This Invoice contains the standard monthly charges billed by ATS. All charges are for March.
    - i. **Invoice Contents** - This Invoice will be produced by ATS through the existing billing system. It will look exactly like what you have been receiving from ATS in the past and will reflect charges for March ATS services and March usage. These charges will be calculated utilizing ATS pricing.
    - ii. **Invoice Delivery Method** - The Invoice packet will be delivered as usual.
    - iii. **Invoice Payment Method** - The ATS Invoice will be paid via MSD as usual.
    - iv. **Invoice Payment Due Dates** - The normal payment timelines for ATS Invoices will apply to this Invoice.
    - v. **Invoice Payment Discounts and Late Payment Fees** - Not applicable.
  - b. **AZNET April Invoice** - This will be an additional amount billed in order to transition monthly services and Carrier charges from the ATS "in arrears" method to the AZNET "current month" method. All charges are for April.
    - i. **Invoice Contents** - This Invoice will be produced by AZNET manually as the new BillPort system will not yet be operational. The Invoice will reflect charges for April services by seat charge and April Carrier fixed charges. We are finalizing these amounts for each agency by PON. We will be able to communicate exactly how much this Invoice will be for each of you by April 11<sup>th</sup> so you can make any budgetary arrangements necessary to pay this amount.
    - ii. **Invoice Delivery Method** - The Invoice will be included and delivered with the ATS Invoice.
    - iii. **Invoice Payment Method** - The AZNET Invoice will be paid to AZNET. An account has already been established for you to remit your payment. The preferred payment method is EFT. This is the quickest and most secure method and will easily allow the tracking of payments for early payment discounts. Each

AZNET statement will include an invoice number. This number will be required as part of the EFT transmission. If you are not currently using EFT to pay invoices, please contact the Help Desk.

1. Contact number - 602-364-4444
2. Choose option 5
3. Choose option 9
4. Ask for "Request for information on billing"

- iv. Invoice Payment Due Dates - When the new billing system is operational, payment will be due within 20 days of receipt of the Invoice by the Agency. Until that time, in order to meet our payment commitments to the Carriers, payment will be due within 10 days of receipt of the Invoice by the Agency.
- v. Invoice Payment Discounts - Payments made to AZNET will qualify for a 2% discount if received by AZNET within 15 days of receipt of the Invoice by the Agency. This discount will apply to the AZNET Services portion of the Invoice only (not carrier charges or usage). No short payments should be made. If the payment is received by AZNET within the 15-day window, the credit will be applied to the next month's invoice.
- vi. Late Fees - Conversely, payments received late will incur late payment charges which will be applied to the next month's billing. During transition, the payment timelines will be short. The April payments must be received by AZNET within 10 days of their receipt by the Agency. In cases where there are shared services (those carrier bills split between multiple PONS) the Agency or Agencies making late payments will bear the full responsibility for any late fees.

2. **May Invoice** - On or before May 28th your May invoice packet will be produced.

- a. Contents - This Invoice will be produced by the ATS biller as the new BillPort system will not yet be operational. The Invoice will reflect charges for May services by seat charge, May Carrier fixed charges and April usage. We will compare the May seat charges to the April seat charges. We will reconcile any differences and, if necessary, apply an adjustment to the May Invoice. There will be a detailed outline of the contents included with the packet.
- b. Invoice Delivery Method - The Invoice will be delivered in the same manner as the ATS Invoices were delivered.
- c. Invoice Payment Method - The AZNET Invoice will be paid to AZNET. An account has already been established for you to remit your payment. The preferred payment method is EFT. This is the quickest and most secure method and will easily allow the tracking of payments for early payment discounts. Each AZNET statement will include

an invoice number. This number will be required as part of the EFT transmission. If you are not currently using EFT to pay invoices, please contact the Help Desk.

- i. Contact number - 602-364-4444
  - ii. Choose option 5
  - iii. Choose option 9
  - iv. Ask for "Request for information on billing"
- d. Invoice Payment Due Dates - When the new billing system is operational, payment will be due within 20 days of receipt of the Invoice by the Agency. Until that time, in order to meet our payment commitments to the Carriers, payment will be due within 10 days of receipt of the Invoice by the Agency.
- e. Invoice Payment Discounts - Payments made to AZNET will qualify for a 2% discount if received by AZNET within 15 days of receipt of the Invoice by the Agency. This discount will apply to the AZNET Services portion of the Invoice only (not carrier charges or usage). No short payments should be made. If the payment is received by AZNET within the 15-day window, the credit will be applied to the next month's invoice.
- f. Late Fees - Conversely, payments received late will incur late payment charges which will be applied to the next month's billing. During transition, the payment timelines will be short. The April payments must be received by AZNET within 10 days of receipt by the Agency. In cases where there are shared services (those carrier bills split between multiple PONS) the Agency or Agencies making late payments will bear the full responsibility for any late fees.
3. **June Invoice** - For the June Invoices, the BillPort system will be operational. All Invoices will be produced by BillPort and available online.
- a. Invoice Contents - With the new billing system, all invoices will be generated at the Agency level. Details at the PON level will be available in the various reports provided. The Invoice will reflect charges for June services by seat charge; June Carrier fixed charges and May usage. The invoice may also reflect activity which occurred in May but was not included in the May Invoices.
  - b. Invoice Delivery Method - The Invoices and reports will be available online. If an Agency requires the data file from which the Invoice was created, we will email that file to the designated Agency representative. If paper Invoices are required, they will be mailed.
  - c. Invoice Payment Method - Agencies will remit payment to AZNET either by warrant or electronically.

- d. Invoice Payment Due Dates - The date the Invoices become available online will constitute date of receipt for the Agencies. All payments should be received by AZNET within 20 days of this date.
  - e. Invoice Payment Discounts and Late Payment Fees - Payments made to AZNET within 15 days of the date the Invoices are available online will qualify for a 2% discount. This discount will apply to the current month AZNET seat charges only (not carrier charges or usage) and will be applied to the next month's billing. Conversely, payments received late will incur late payment charges which will be applied to the next month's billing. Payments received after 20 days from Invoice availability online may incur late fees.
4. **TEM Processes** - The BillPort Audit Engine provides automated support to increase efficiency of Telecom Expense Management and allow Telecom Professionals to spend time more productively. There are four components to the BillPort Audit Engine:
- a. Payment Rules - The first goal of invoice management is to avoid the high costs and risks of service disruption by paying vendors in a timely manner and applying appropriate cost allocation. BillPort's Payment rules are designed to identify accounts where payment issues may arise with the vendors. These rules include the following:
    - i. Check for high outstanding balance
    - ii. Compare previous balance to last bill
    - iii. Check if total due is less than current monthly charge
    - iv. Check for late payment fees
    - v. Check for no payment received
    - vi. Check for late posting of bill
    - vii. Check for cutoff notice received
    - viii. Check for unallocated charges
    - ix. Check for charges allocated to inactive accounts
    - x. Check for credit balance
  - b. Business Rules - The consistent application of simple business logic can help organizations monitor and control telecom expenses. BillPort's Business Rules automate this process and present results clearly for quick resolution. The rules include:
    - i. Check for new account

- ii. Compare current charges to previous month
  - iii. Compare sub account charges to previous month
  - iv. Compare phone number/circuit charges to previous month
  - v. ATT Thrifty 05X account check
  - vi. Third party/inter exchange carrier charges found
  - vii. Miscellaneous charges found
  - viii. Directory assistance check
  - ix. Line item variance check
- c. Inventory Audits - Many enterprises pay for phone service that they are not using. The BillPort Inventory Audits will identify charges for service items that have not been approved into the Client's baseline. This approval can be monitored at the circuit/phone level as well as the line item or USOC level, so that new feature charges can be monitored. All items on a bill will be compared to the Baseline approved items, and those that do not match will be identified in one of the following checks:
- i. New inventory item (phone, circuit, etc.)
  - ii. New line items
  - iii. Charges on inactive/disconnected items
- d. Rate Compliance Audits - After establishing that service items belong to the organization and should be paid for, it is important to confirm that the vendor is charging the appropriate rates. These may be rates from a vendor contract, which can be applied to many or all accounts belonging to a vendor, or they may be expected rates for a line item on a single account. One electronic bill from a vendor could have hundreds or thousands of items that receive rate validation, but all checks fall into just a few categories:
- i. Compare line item charges to contract rates
  - ii. Compare usage rates to contract rates

